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E.O. 12958: DECL: 09/11/2027
TAGS: [KTFN](#) [EFIN](#) [PTER](#) [SNAR](#) [ETTC](#) [PREL](#) [AR](#)
SUBJECT: ARGENTINE PRESIDENT SIGNS NATIONAL ANTI-MONEY
LAUNDERING AND COUNTER-TERRORISM FINANCE PLAN INTO FORCE

REF: BUENOS AIRES 1183 AND PREVIOUS

Classified By: EconOff Chris Landberg For Reasons 1.4 (B and D).

Summary

1. (C) In a high-profile ceremony on September 11, President Kirchner signed the GoA's new "National Agenda" on money laundering and terrorism financing. The Agenda is designed to serve as the roadmap for the GoA to improve coordination and enforcement on anti-money laundering and counter-terrorism finance (AML/CTF) issues. The press interpreted the September 11 roll-out as a gesture to the USG, although working-level contacts told us that the timing was mere coincidence. Whatever the timing, the GoA has developed a sound legal and regulatory AML/CTF framework for Argentina over the last two years (reftels). But whether this National Agenda demonstrates renewed GoA interest in enforcement will be evident in the months ahead. End Summary.

President Signs AML/CTF Decree in High-Profile Ceremony

2. (SBU) President Kirchner signed a decree September 11 entering into force the GoA's new "National Agenda for the fight against money laundering and terrorism financing." The Administration gave the signing event a high-profile, with Economy Minister Peirano, Justice Minister Iribarne, and Foreign Minister Taiana co-signing with the President, and numerous other top-level GoA officials -- including the Central Bank President, Attorney General, and heads of the primary law enforcement and regulatory agencies -- in attendance.

3. (C) Local press, including the largest circulation daily Clarin, speculated that the GoA's high-profile signing ceremony on the anniversary of the September 11 terrorist attacks was intended to send the USG a signal of the GoA's readiness to comply with international efforts to fight terrorism and terrorism-related financial crimes. The GoA's National AML/CTF Coordinator (and representative to the

Financial Action Task Force - FATF) Juan Felix Marteau told us that the decision to hold the signing ceremony on September 11 was pure coincidence, but we do not discount that more senior officials thought the date could send a signal about GOA interest in fighting terrorism. Marteau told us that he hopes that the USG and other governments do take the announcement as a signal that Argentina is addressing its weak AML/CTF implementation record to date.

Agenda to Serve as Road Map for Implementation

¶4. (SBU) The goal of the National Agenda, which has been in the works for over a year, is to improve the GoA's AML/CTF coordination and enforcement efforts. It proposes 20 detailed objectives, aimed at strengthening regulatory institutions, fine-tuning existing laws, regulations, and procedures, and enhancing the GoA's control over the financial system. Broadly, the National Agenda's focus is to implement and enforce the relatively sound legal and regulatory AML/CTF framework that the GoA has developed over the last two years.

¶5. (SBU) Post has agreed with the many domestic and international observers' criticisms over the last few years of Argentina's weak implementation of its AML regime. The GoA has prosecuted fewer than five money laundering cases since 2000, and there has been a clear lack of political will to prioritize the investigation and prosecution of financial crimes -- most of which are related to tax evasion.

¶6. (SBU) However, Marteau argues that the National Agenda is the roadmap that the GoA can use to improve implementation of domestic legislation and regulations and compliance with international AML/CTF norms. Marteau, who directed the preparation of the National Agenda, claims that Argentina is the first South American government to have a national AML/CTF strategic plan signed by the President and with the Executive's direct support and involvement.

¶7. (C) Marteau acknowledges, however, that having an implementation road map is no more binding than having the right legislation and regulations in place. Without high-level political commitment to pursue financial crimes, GoA law enforcement and regulatory agencies will not feel empowered to act. Therefore, Marteau and many of Post's private sector contacts hope that the President's personal involvement in the promulgation of the decree, along with the participation of half the cabinet and all law enforcement and regulatory agencies heads in the ceremony, reflect increased Executive commitment to implementation.

GoA Has Created Sound AML/CTF Framework

¶8. (SBU) Largely as a response to FATF pressure, the GoA has taken significant steps to improve its legal and regulatory AML/CTF framework in recent years. It amended and strengthened AML legislation in 2006, restructured its Financial Investigative Unit (FIU), and created a National AML/CTF Coordination Unit in the Justice Ministry to oversee and coordinate overall GoA AML/CTF efforts. The Public Prosecutor's Office, Central Bank, and Federal tax authority are establishing specialized units to investigate and prosecute AML/CTF crimes.

¶9. (SBU) Most significantly, the GoA's newly passed Counter-Terror and Counter-Terrorism Finance Legislation entered into force in mid-July 2007. The new law criminalizes both acts of terror and financing of terror. It also adds terrorism as a predicate crime to money laundering and provides the legal foundation for the FIU, Central Bank, and other law enforcement and regulatory bodies to investigate and prosecute such crimes.

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